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TO RUEHC/SECSTATE WASHDC 4521  
INFO RUCNMR/MERCOSUR COLLECTIVE  
RHEHNSC/WHITE HOUSE NSC WASHDC  
RUMIAAA/USCINCSO MIAMI FL//SCJ5//  
RUEATRS/DEPT OF TREASURY WASHDC  
RUCPDO/DEPT OF COMMERCE WASHDC  
RUEAIIA/CIA WASHDC

UNCLAS ASUNCION 000729

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STATE FOR EB/IFD/OIA AND INL - ABBY SMITH  
STATE PASS TO USAID FOR LAC/AA  
STATE PASS TO USTR FOR LYANG  
NSC FOR SUE CRONIN  
TREASURY FOR OSIA MAUREEN WAFER  
TREASURY FOR OTA WARFIELD, VAN KOCH, MILLAR  
COMMERCE FOR ITA SARAH COOK  
SOUTHCOM FOR POLAD

E.O. 12958: N/A  
TAGS: [PGOV](#) [PREL](#) [SNAR](#) [KCRM](#) [PA](#)  
SUBJECT: PARAGUAY POLITICAL AND ECONOMIC UPDATE, JULY 8 -  
14 2006

REF: ASUNCION AND PRECEDING

11. (U) SUMMARY:

-- Cocaine Seizure and Arrest of Trafficker's Son  
-- Judges Renounce Their Political Parties  
-- Lugo Will Not Run in 2008

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Cocaine Seizure and Arrest of Trafficker's Son  
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12. (U) On 7/9, SENAD (the National Antidrug Secretariat) seized 120 kg of cocaine near Pedro Juan Caballero, in the Department of Amambay, and arrested three men. A major drug trafficker who is wanted in Paraguay and Brazil, Erineu Domingo-Soligo (aka Pingo), was involved. However, he escaped during a shoot-out and chase that ensued when SENAD teams moved in to make the arrests. Domingo-Soligo's son,

Jonathan Wink Soligo (aka Lico), was arrested along with Ediney Jara de Oliveira and Antonio Ramos Crivelli. The cocaine was seized on Domingo-Soligo's ranch near Pedro Juan Caballero. On the ranch officials also discovered radios possessing the frequencies used by SENAD. SENAD officials are currently searching for Domingo-Soligo, who was wounded in the shoot-out. Domingo-Soligo heads a Paraguayan arms and drug trafficking organization, along with Aldo Mariano Rocha (aka Aldo Rojas) that has ties to several similar organizations including the Brazilian arms and drug trafficking organization headed by Luis Fernando Da Costa (aka Beira Mar). There are indications Domingo-Soligo supplies ammunition to the FARC in Colombia in exchange for cocaine. (Comment: This operation represents another example of SENAD's expanding professionalism. End comment.)

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Judges Renounce Their Political Parties  
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13. (U) Under the Judicial Ethics Code, the development of which USAID funded in 05 and 06, 600 of the 650 judges around the country have renounced their membership in political parties. The deadline for all judges to renounce their

political party affiliation was June 30th. For those that failed to comply the Code allows for sanctions to be imposed. Of course, renouncing one's party affiliation does not guarantee a judge will necessarily act independent of party interest. Nonetheless, this is a step in the right direction of seeking to depoliticize the justice sector and instilling confidence that decisions made in the judiciary are not linked to political interests.

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Lugo Steps Down as Leader of the Opposition Movement  
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¶4. (U) On 7/11, the opposition officially formed the Political and Social Concentration. Monsignor Fernando Lugo, affirming that he had served his purpose of bringing together the disparate political parties and social groups that make up this new group and producing a draft declaration of its goals, announced that we would be stepping down as its principal leader. The group's leaders have eight days to study the draft declaration on the group's goals and decide whether they are ready to agree to its terms. On 7/12, in a meeting with the President of Congress, Victor Bogado, the Papel Nuncio stated that Lugo had agreed with the Paraguayan Episcopal Conference (CEP) not to run as a presidential candidate in the 2008 elections. In his own statements, Lugo was more ambiguous about his possible candidacy for the presidency. There is some concern within the group whether it can remain united absent Lugo's leadership.  
CASON